

INFRASTRUCTURE FUNDING RESOURCES FOR PUBLICLY OWNED DRINKING WATER AND WASTEWATER SYSTEMS

Communication with the funding agency, as project planning commences, will help communities ensure the project meets all state and federal funding requirements.

	Community Development Block Grant	Water & Waste Disposal Loan & Grant Program	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Small Borrower Loan	Energy Loan Program
Average total amount available per year	Approximately \$10 - \$15 million, varies	Approximately \$70 - \$100 million, varies	Approximately \$500 million	Approximately \$100 million	Varies	Approximately \$4 - \$6 million, varies
Funding agency	Missouri Department of Economic Development Community Development Block Grant Program 301 West High Street P.O. Box 118 Jefferson City, MO 65102 573-751-3600 Email: mocdbg@ded.mo.gov Webpage: www.ded.mo.gov/cdbg	U.S. Dept. of Agriculture, Rural Development 601 Business Loop 70 West Parkade Center, Suite 235 Columbia, MO 65203 573-876-0976 Webpage: https://www.rd.usda.gov/programs-services/water-waste-disposal-loan-grant-program	Missouri Department of Natural Resources Financial Assistance Center 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176 573-751-1192 Email: fac@dnr.mo.gov Webpage: https://dnr.mo.gov/env/wpp/srf/wastewater-assistance.htm	Missouri Department of Natural Resources Financial Assistance Center 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176 573-751-1192 Email: fac@dnr.mo.gov Webpage: https://dnr.mo.gov/env/wpp/srf/drinkingwater-assistance.htm	Missouri Department of Natural Resources Financial Assistance Center 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176 573-751-1192 Email: fac@dnr.mo.gov Webpage: https://dnr.mo.gov/env/wpp/srf/wastewaterloans.htm	Missouri Department of Natural Resources Division of Energy 1101 Riverside Drive P.O. Box 176 Jefferson City, MO 65102-0176 855-522-2796 Email: energy@dnr.mo.gov Webpage: https://energy.mo.gov/assistance-programs/energy-loan-program
Population Limit	Cities less than 50,000 in population, counties less than 200,000 in population.	Populations less than 10,000.	No population limit.	No population limit.	Population less than 1,000.	No population limit.

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Eligible Applicants	Non-entitlement counties, cities, villages, and townships incorporated as units of local government. Local governments can apply for and pass funds through to special purpose districts.	Public and not-for-profit organizations serving cities and towns or other rural areas when conventional financing is not affordable.	Cities, towns, villages, counties, public water and public sewer districts, water authorities, and instrumentalities of the state.	Cities, towns, villages, counties, public water and public sewer districts, not-for-profit corporations providing a wholesale or regional water supply, and investor-owned water utility corporations.	Cities, towns, villages, counties, public water and public sewer districts.	Varies from year to year, typically public K-12 schools, colleges and universities; units of local government (i.e., water and wastewater districts; and public and not for profit hospitals.
Funding Cycle/Deadlines	Applications accepted on a continuous basis.	Applications accepted on a continuous basis.	Applications received by March 1 are prioritized for loan and grant commitments for the following year's spending plan.	Applications received by March 1 are prioritized for loan and grant commitments for the following year's spending plan.	Applications accepted on a continuous basis.	Cycles are announced in the "In Additions" section of the Missouri Register. Typically, 1 to 2 cycles per fiscal year. Applications accepted during the open cycle.
Application	Must first apply through the Missouri Water and Wastewater Review Committee (https://ded.mo.gov/sites/default/files/program/instructions/WaterWaste_AppGuidelines_101416.pdf). Based on the Committee application, the Department of Economic Development will determine whether to extend an invitation to	May apply directly to U.S. Department of Agriculture, Rural Development or through the Missouri Water and Wastewater Review Committee (https://ded.mo.gov/sites/default/files/program/instructions/WaterWaste_AppGuidelines_101416.pdf).	May apply directly to Financial Assistance Center or through the Missouri Water and Wastewater Review Committee (https://ded.mo.gov/sites/default/files/program/instructions/WaterWaste_AppGuidelines_101416.pdf).	May apply directly to Financial Assistance Center or through the Missouri Water and Wastewater Review Committee (https://ded.mo.gov/sites/default/files/program/instructions/WaterWaste_AppGuidelines_101416.pdf).	Apply directly to Financial Assistance Center.	Apply directly to Division of Energy.

	Community Development Block Grant	Water & Waste Disposal Loan & Grant Program	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Small Borrower Loan	Energy Loan Program
	apply to the community to apply to the program.					
Targeted Beneficiaries /Funding Priorities	Low/Moderate Income (LMI) persons and families with incomes at or below 80 percent of county median household income.	Rural towns and villages, rural water systems and not-for-profit corporations.	Funding priority is given to projects based on relative significance in achieving objectives of the Clean Water Act.	Funding priority is given to projects based on relative significance in achieving objectives of the Safe Drinking Water Act.	Funding priority is given to projects based on relative significance in achieving objectives of the Clean Water Act or Safe Drinking Water Act.	Applications are ranked solely on energy savings. If there are more applications than funding available, submissions with higher savings are funded in order of ranking until the available funds are exhausted.
Targeted Infrastructure	Drinking Water Treatment and Distribution, and Wastewater Treatment and Collection Systems.	Drinking Water Treatment and Distribution, and Wastewater Treatment and Collection Systems.	Wastewater Treatment and Collection Systems, Stormwater, and Non-point Pollution Protection Projects.	Drinking Water Treatment and Distribution Systems.	Drinking Water Treatment and Distribution, and Wastewater Treatment and Collection Systems.	Any facilities of all eligible applicants.
Eligible Project types	Eligible applicants must demonstrate need for the infrastructure improvement.	Eligible applicants must demonstrate need for infrastructure improvement.	Infrastructure improvements that facilitate compliance with the Clean Water Act, and are related to an existing or potential pollution abatement, water quality or public health risk.	Infrastructure improvements that facilitate compliance with national primary drinking water regulations or otherwise significantly advance the public health protection objectives of the Safe Drinking Water Act.	Drinking water or wastewater infrastructure improvements that are necessary for compliance and system sustainability.	Building envelope air infiltration abatement, insulation, lighting, HVAC, CHP, renewable energy systems, pumps, fine bubble diffusers, and other measures that reduce energy usage.

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Eligible Costs	Planning – Yes Administration – Yes Legal – Yes Design – Yes Construction – Yes Contingency for cost overruns – No Engineering – No (engineering inspection costs can be paid) Easements/Land – Yes	Planning – Yes Administration – Yes Legal – Yes Design – Yes Construction – Yes Contingency for cost overruns – Yes Engineering – Yes Easements/Land – Yes	Planning – Yes Administration – Yes Legal – Yes Design – Yes Construction – Yes Contingency for cost overruns – Yes Engineering – Yes Easements/Land – Yes when land needed as an integral part of project	Planning – Yes Administration – Yes Legal – Yes Design – Yes Construction – Yes Contingency for cost overruns – Yes Engineering – Yes Easements/Land – Yes when land needed as an integral part of project	Planning – Yes Administration – Yes Legal – Yes Design – Yes Construction – Yes Contingency for cost overruns – Yes Engineering – Yes Easements/Land – Yes when land needed as an integral part of project	Planning – Yes Administration – Yes Legal – Yes Design – Yes Construction – Potentially Contingency for cost overruns – No Engineering – Yes Easements/Land – Not applicable
Maximum amount of available funds	Application maximum is \$750,000 or \$5,000 per household benefiting for water or wastewater construction projects. At Department discretion, for communities with fewer than 100 families benefitting, the maximum grant is \$750,000 or \$7,500 per family benefitting, whichever is less.	No set maximum. Cumulative loan limit by any one borrower is reserved at \$25,000,000 with approval authority by the U.S. Department of Agriculture, Rural Development Assistant Administrator. Higher cumulative loan limits are allowable with review by Administrator.	No set maximum.	No set maximum.	Maximum loan amount is \$100,000.	Varies from cycle to cycle. Typically \$10,000 minimum and \$1M maximum.
Maximum Loan Term	Not applicable.	Public Body Revenue Bond Terms are 35 years. Not-for-profit Corporations may borrow for up to 40 years.	20-year term is standard. Up to 30 years is possible with an additional 0.5 percent interest for applicants experiencing a financing challenge if the useful life of the project is 30 years.	20-year term is standard. Up to 30 years is possible with an additional 0.5 percent interest for applicants experiencing a financing challenge if the useful life of the project is 30 years.	Up to 20 years or the life of the project.	Up to 10 years.

	Community Development Block Grant	Water & Waste Disposal Loan & Grant Program	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Small Borrower Loan	Energy Loan Program
Loan Repayment	Not applicable.	Revenue Bond, Promissory Note or in some cases General Obligation Bonds.	Acceptable debt instrument, such as revenue bond or general obligation bond. Sales tax or special assessment district may be utilized on a case-by-case basis.	Acceptable debt instrument, such as revenue bond or general obligation bond. Sales tax or special assessment district may be utilized on a case-by-case basis.	Demonstrate debt coverage through bonds, sales tax and/or system revenue.	Repayment is made from the energy savings generated by the implemented efficiency measures. Repayment typically begins 6 months after project completion.
Loan Rates	Not applicable.	Graduated rate based on applicant's median household income (MHI) income: Poverty Rate – For applicants with MHI below 80 percent or less of State non-metropolitan median and needed to meet a health of sanitary standard. Intermediate Rate – For applicants with MHI between 80 and 100 percent of State non-metropolitan median. Market Rate – For higher income applicants.	Interest rate is 30 percent of the current market rate at the time of loan closing (ex. if market rate is 3.97 percent, the SRF interest rate is 1.20 percent). A 0.50 percent annual loan administration fee is also charged through the life of the loan.	Interest rate is 30 percent of the current market rate at the time of loan closing (ex. if market rate is 3.97%, the SRF interest rate is 1.20 percent). A 0.50 percent annual loan administration fee is also charged through the life of the loan.	Rate for new loan awards is 30 percent of the current market rate at the time of loan closing (ex. if market rate is 3.97 percent, the SRF interest rate is 1.20 percent). A 0.50 percent annual loan administration fee is also charged through the life of the loan.	Rate varies year to year, are typically in the 1-3 percent range with a 1 percent admin fee.
Grant Eligibility	Eligibility based on income: 51 percent of the population must be Low/ Moderate Income (LMI) beneficiaries (by census or survey).	Maximum grant amount 75 percent of eligible costs when median household income is below 80 percent of State's non-metropolitan median household income; or 45 percent of	Limited grant funding is available each year – up to \$2 million or 50 percent of total eligible project costs. Based on size and affordability:	Limited grant funding is available each year – up to \$2 million or 75 percent of total eligible project costs. For disadvantaged communities:	Not applicable.	Not applicable.

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		<p>eligible costs when median household income is below the State's non-metropolitan median household income.</p> <p>*The percentages contained above are maximum amounts and may be further limited due to availability of funds or grants.</p>	<p>Population of 10,000 or less; and</p> <p>Must have received an eligibility determination via an affordability analysis.</p>	<ul style="list-style-type: none"> Population of 3,300 or less; Average user rates for 5,000 gallons is at least 2 percent of the recipient's median household income; and The median household income is at or below 75 percent of the state average as determined by the most recent decennial census. 		
Income Survey	<p>Allowed if U.S. Census Bureau data is thought to be inaccurate. Applicant is required to verify eligibility if U.S. Housing and Urban Development data (based on U.S. Census) unable to prove 51 percent of beneficiaries are low-to- moderate income.</p>	<p>Allowed if U.S. Census Bureau data is thought to be inaccurate. Must request approval from the U.S. Dept. of Agriculture, Rural Development prior to initiating survey. Surveys undertaken under Community Development Block Grant program oversight are accepted.</p>	<p>Allowed if U.S. Census Bureau data is thought to be inaccurate. Must request approval from the Financial Assistance Center prior to initiating survey. Surveys undertaken under Community Development Block Grant program oversight are accepted.</p>	<p>Allowed if U.S. Census Bureau data thought to be inaccurate. Must request approval from the Financial Assistance Center prior to initiating survey. Surveys undertaken under Community Development Block Grant program oversight are accepted.</p>	Not applicable.	Not applicable.
Award Process	<p>Competitive review of eligible projects; readiness to proceed with primary funding sources is a critical factor in awarding funds.</p>	<p>Eligible projects are priority ranked; readiness to proceed (as evidenced by a well-scoped project documented within an engineering report and available bond authority)</p>	<p>Eligible projects are priority ranked on an annual basis; readiness to proceed (as evidenced by a well-scoped project documented within an engineering report and</p>	<p>Eligible projects are priority ranked on an annual basis; readiness to proceed (as evidenced by a well-scoped project documented within an engineering report and</p>	<p>Loans need approval from Clean Water Commission or Safe Drinking Water Commission.</p>	<p>Eligible projects are reviewed for eligibility and reasonableness and ranked in order, highest to lowest, for energy savings. Evaluation, ranking, notice of</p>

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		is a critical factor in awarding funds.	available bond authority) is a critical factor for funding and obligation of grant funding.	available bond authority) is a critical factor for funding and obligation of grant funding.		successful application and unsuccessful application must be completed within 90 days of the end of the cycle.
Awarding of Funds	Award letter with funding approval and grant agreement.	Notice of funded obligation.	Loan Agreement issued on the basis of actual as-bid costs.	Loan Agreement issued on the basis of actual as-bid costs.	Loan agreement issued on the basis of actual as-bid costs.	Award letters and corresponding award documentation sent to applicants for signature and acceptance.
Financial Closing	Synonymous with award agreement.	Once all program requirements are satisfied, and prior to construction.	Once all program requirements are satisfied, after project is bid and contract awarded the loan may close.	Once all program requirements are satisfied, after project is bid and contract awarded the loan may close.	Once all program requirements are satisfied, after project is bid and contract awarded the loan may close.	Closed after project has been completed and all reimbursements have been made.

PROGRAM REQUIREMENTS

	Community Development Block Grant	Water & Waste Disposal Loan & Grant Program	Clean Water State Revolving Fund	Drinking Water State Revolving Fund	Small Borrower Loan	Energy Loan Program
Davis-Bacon Wage Rates (Federal Prevailing Wages)	Required	Only if other project funding sources or state statutes require it	Must comply with either federal prevailing wage rate in compliance with Davis- Bacon Wage Rates or with the Missouri prevailing wage per Sections 290.250 and 290.325, RSMo., whichever is higher	Must comply with either federal prevailing wage rate in compliance with Davis- Bacon Wage Rates or with the Missouri prevailing wage per Sections 290.250 and 290.325, RSMo., whichever is higher	Not applicable, however, must comply with the Missouri prevailing wage per Sections 290.250 and 290.325, RSMo.	Not applicable – not federally sourced funding
Pre-Design Planning	Limited scope, with Department of Economic Development conducting a limited technical review.	U.S. Department of Agriculture, Rural Development state engineer reviews; must meet feasibility and reasonable cost standards.	Financial Assistance Center technical staff will review basis of design and alternatives selection process.	Financial Assistance Center technical staff will review basis of design and alternatives selection process.	Financial Assistance Center technical staff will review basis of design and alternatives selection process.	Division of Energy Professional Engineer reviews application.
Minority, Women and/or Disadvantaged Business Contract Reporting	Required.	Required.	Required.	Required.	Required, see Chapter 37, RSMo.	Borrower follows their policies and procedures
Plans and Specifications Review	State construction permits review by Department of Natural Resources.	Specifications review by U.S. Department of Agriculture, Rural Development engineer and State construction permit required by Department of Natural Resources.	State construction permits review and specifications review by Financial Assistance Center engineer.	State construction permits review and specifications review by Financial Assistance Center engineer.	State construction permits review and specifications review by Financial Assistance Center engineer.	DNR-DE Professional Engineer reviews application.

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Procurement Rules	Follow federal law and policies.	Follow federal law and policies.	Follow Missouri Law (RSMo. Section 8.285 to 8.291) regarding the procurement of professional services.	Follow Missouri Law (RSMo. Section 8.285 to 8.291) regarding the procurement of professional services.	Follow Missouri Law (RSMo. Section 8.285 to 8.291) regarding the procurement of professional services.	Borrower follows their policies and procedures.
Uniform Relocation and Real Property Acquisition Policies Act	Must comply. If land acquisition results in displacement of residents, assistance recipient must provide assistance.	Must comply. If land acquisition results in displacement of residents, assistance recipient must provide assistance.	Must comply. If land acquisition results in displacement of residents, assistance recipient must provide assistance.	Must comply. If land acquisition results in displacement of residents, assistance recipient must provide assistance.	Not applicable.	Not applicable.
User Rates and Charges Review	Comparative review against other applicants.	Focus on maintaining rates at affordable levels to assure debt service coverage, having a debt service reserve fund, and a Short Lived Asset fund.	Focus on maintaining rates at affordable levels, assuring debt service coverage, and having a replacement fund.	Focus on maintaining rates at affordable levels, assuring debt service coverage, and having a replacement fund.	Focus on maintaining rates at affordable levels, and assuring debt service coverage.	Not applicable.
Environmental Impact Review	Required, state procedure using a National Environmental Policy Act-like process.	Required, use National Environmental Policy Act standards as basis.	Required, state procedure using a National Environmental Policy Act -like process.	Required, state procedure using a National Environmental Policy Act -like process.	Not required.	Not applicable.

Other infrastructure financing alternatives for municipalities to consider include private banking institution loans, the Missouri Rural Water Association’s loan program, the Rural Community Assistance Partnership, or a multi-year lease-purchase contract from a private finance company.